



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
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**FISCAL YEAR 2015
CHILD AND ADULT CARE FOOD PROGRAM
OPERATIONAL MEMORANDUM #41**

TO: Child and Adult Care Food Program Institutions

FROM: Marla J. Moss, Director
Office of School Support Services

DATE: August 18, 2015

**SUBJECT: Recordkeeping Requirements for Participating Institutions –
Annual Reminder**

To promote program integrity and ensure that institutions are complying with Child and Adult Care Food Program (CACFP) recordkeeping requirements, the Michigan Department of Education (MDE) is requiring participating institutions to have on-site, for immediate review, all CACFP records for the current month as well as the previous twelve months of operation.

Sponsors of centers may store records at the administrative office of the sponsor. For unaffiliated centers (legally distinct from the sponsor), records should also be maintained on-site at sponsored centers. Participating institutions may store the remaining records off-site, but they must be readily available for review. Failure to maintain such records shall be grounds for the denial of reimbursement or assessment of overclaims per 7 CFR 226.15(e) and 226.17(c). Institutions that cannot provide records to support claims will be considered to have filed false claims per 7 CFR 226.6(c)(5)(ii), which may lead to termination and disqualification from the CACFP.

Section 226.10(d) of the regulations establishes retention requirements for records relating to claims submitted by state agencies (SA) and institutions participating in the CACFP. Such records must be retained for three years after the submission of the final claim for the fiscal year to which they pertain. If, at the end of this period, audit findings have not been resolved, the records must be retained until the audit is resolved.

The same principle applies to the retention of records relating to institutions and responsible principals or individuals that have been placed on the CACFP's National Disqualified List (NDL). These records are considered to pertain to the entire period that an individual or institution remains on the NDL, since the documentation supporting the disqualification must be available to respond to any challenge to the

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institution's or individual's inclusion on the NDL, or to a request for removal from the NDL. Therefore, consistent with the requirements at § 226.10(d) concerning the retention of claims-related records, the SA or institution must retain records relating to the disqualification for three years after the institution and responsible principal or individual is removed from the NDL.

This memorandum also clarifies record retention requirements relating to an institution or family day care home that is declared seriously deficient, or a principal or individual who has been identified as responsible for a serious deficiency, when the serious deficiency is corrected before disqualification. Records relating to any serious deficiency must be retained by the SA or sponsoring organization for three years after the SA and Food and Nutrition Service (for institutions or responsible principals or individuals) or the sponsoring organization accepts the corrective action. This timeframe will permit the SA (or the sponsoring organization) to conduct one or more follow-up reviews to ensure that the institution has fully and permanently corrected the serious deficiency, and will provide the necessary documentation for a proposed termination if it is found that the corrective action has not been permanently implemented.

For questions regarding this memorandum, contact the Child and Adult Care Food Program at 517-373-7391.